



## Senate

General Assembly

**File No. 844**

January Session, 2011

Substitute Senate Bill No. 1168

*Senate, May 25, 2011*

The Committee on Transportation reported through SEN. MAYNARD of the 18th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

### ***AN ACT CONCERNING AN ELECTRIC VEHICLE INFRASTRUCTURE.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1       Section 1. (NEW) (*Effective July 1, 2011*) Not later than July 1, 2012,  
2       the State Building Inspector and the Codes and Standards Committee  
3       shall revise the State Building Code adopted pursuant to section 29-252  
4       of the general statutes to (1) provide for an electric vehicle  
5       infrastructure to support any make, model or type of electric vehicle,  
6       including a plug-in electric vehicle or an electric vehicle capable of  
7       being charged by a forty-ampere, two hundred forty-volt electrical  
8       charging circuit, (2) provide for bidirectional charging without  
9       significant upgrading, provided electric distribution companies, as  
10      defined in section 16-1 of the general statutes, have achieved the  
11      capability to draw electricity from electric vehicles connected to the  
12      utility grid, and (3) require all new residential and certain commercial  
13      construction to have the capacity to support such infrastructure.

14      Sec. 2. (NEW) (*Effective July 1, 2011*) There is established an account  
15      to be known as the "electric vehicle infrastructure support account"

16 which shall be a separate, nonlapsing account within the General  
17 Fund. The account shall contain any moneys required by law to be  
18 deposited in the account. Moneys in the account shall be expended by  
19 the Department of Public Utility Control for the purposes of providing  
20 grants to businesses seeking to upgrade infrastructure to support the  
21 use of electric and hydrogen fuel cell powered vehicles state-wide.

22 Sec. 3. Subdivision (110) of section 12-412 of the general statutes is  
23 repealed and the following is substituted in lieu thereof (*Effective July*  
24 *1, 2011, and applicable to sales on and after July 1, 2011*):

25 (110) (A) On and after January 1, 2008, and prior to July 1, 2010, the  
26 sale of any passenger motor vehicle, as defined in section 14-1, that has  
27 a United States Environmental Protection Agency estimated city or  
28 highway gasoline mileage rating of at least forty miles per gallon.

29 (B) On and after July 1, 2011, and prior to July 1, 2013, the sale of  
30 any hydrogen fuel cell or electric passenger motor vehicle, as defined  
31 in section 14-1.

32 Sec. 4. Subdivision (16) of section 38a-816 of the general statutes is  
33 repealed and the following is substituted in lieu thereof (*Effective July*  
34 *1, 2011*):

35 (16) Failure to pay, as part of any claim for a damaged motor vehicle  
36 under any automobile insurance policy where the vehicle has been  
37 declared to be a constructive total loss, an amount equal to the sum of  
38 (A) the settlement amount on such vehicle plus, whenever the insurer  
39 takes title to such vehicle, (B) if the insured paid sales tax on such  
40 vehicle, an amount determined by multiplying such settlement  
41 amount by a percentage equivalent to the current sales tax rate  
42 established in section 12-408. For purposes of this subdivision,  
43 "constructive total loss" means the cost to repair or salvage damaged  
44 property, or the cost to both repair and salvage such property, equals  
45 or exceeds the total value of the property at the time of the loss.

46 Sec. 5. (NEW) (*Effective from passage*) (a) For the purposes of this

47 section: (1) "Level III fast charging station" means a facility for charging  
 48 electric vehicles with equipment that uses direct current energy from  
 49 an off-board charger; and (2) "off-board charger" means a device for  
 50 charging an electric vehicle that is not mounted inside such vehicle.

51 (b) The Secretary of the Office of Policy and Management shall  
 52 develop a plan to promote the use of electric vehicles in the state and  
 53 to facilitate the state-wide installation of Level III fast charging  
 54 stations. Such plan shall identify the resources necessary to promote  
 55 such state-wide installation. On or before February 1, 2012, the  
 56 secretary shall submit such plan, in accordance with the provisions of  
 57 section 11-4a of the general statutes, to the joint standing committee of  
 58 the General Assembly having cognizance of matters relating to energy  
 59 and technology.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2011</i>	New section
Sec. 2	<i>July 1, 2011</i>	New section
Sec. 3	<i>July 1, 2011, and applicable to sales on and after July 1, 2011</i>	12-412(110)
Sec. 4	<i>July 1, 2011</i>	38a-816(16)
Sec. 5	<i>from passage</i>	New section

**TRA**      *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

### **OFA Fiscal Note**

#### **State Impact:**

<b>Agency Affected</b>	<b>Fund-Effect</b>	<b>FY 12 \$</b>	<b>FY 13 \$</b>
Department of Revenue Services	GF - Revenue Loss	250,000-525,000	250,000-525,000
Policy & Mgmt., Off.	GF - Cost	At least \$75,000	None

Note: GF=General Fund

**Municipal Impact:** None

#### **Explanation**

**Section 1** results in no cost to the Department of Public Safety associated with the revision of the State Building Code to support an electric vehicle infrastructure.

**Section 2** creates a nonlapsing account within the General Fund known as the "electric vehicle infrastructure support account," which would be used by the Department of Public Utility Control to provide grants to businesses making infrastructure upgrades that support the use of electric and hydrogen fuel-cell powered vehicles. The bill does not specify the funding source for this new account.

**Section 3** results in a potential revenue loss by exempting sales tax on hydrogen fuel cell or electric passenger cars sold between July 1, 2011 and July 1, 2013. Assuming 100 to 250 of these types of vehicles are sold during this time, the revenue loss would be approximately \$250,000 to \$525,000.

**Section 4** results in a potential minimal revenue loss by requiring insurance companies to pay sales tax on the title of a totaled vehicle

only if the owner paid sales tax on this vehicle.<sup>1</sup> The revenue loss is contingent upon; 1) the number of totaled vehicles in which the owner did not pay sales tax, and 2) the value of the car at the time of the accident.

**Section 5** requires the Office of Policy and Management (OPM) to develop a plan that promotes the use of electric vehicles and facilitates the statewide installation of fast charging stations by February 1, 2011. This results in FY 12 costs of at least \$75,000 for consultants or temporary staff.

### ***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation, except for the OPM costs in Section 6, which are one-time in nature.

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<sup>1</sup> Motor vehicles which were exempted from sales tax include clean fuel vehicles purchased before 2002, hybrids purchased between 2004 and 2008, and high miles-per-gallon vehicles purchased between 2008 and 2010.

**OLR Bill Analysis****sSB 1168****AN ACT CONCERNING AN ELECTRIC VEHICLE INFRASTRUCTURE.****SUMMARY:**

This bill makes numerous changes to the statutes regarding the state's electric vehicle infrastructure and alternative-energy-fueled vehicles. It:

1. requires the State Building Code to support electric vehicle use;
2. creates a nonlapsing "electric vehicle support account" in the General Fund;
3. requires the Office of Policy and Management (OPM) to develop a plan to promote electric vehicle use and facilitate installation of Level III fast-charging stations; and
4. creates a sales tax exemption for hydrogen fuel cell and electric passenger vehicles sold between July 1, 2011 and July 1, 2013.

The bill also limits when an insurance company taking title to a totaled vehicle must pay sales tax on the settlement amount for the vehicle.

EFFECTIVE DATE: July 1, 2011, except the section requiring an OPM report, which is effective upon passage.

**§ 1 — STATE BUILDING CODE**

The bill requires the state building inspector and the Codes and Standards Committee, by July 1, 2012, to revise the State Building Code to (1) provide for an electric vehicle infrastructure that can support any type of electric vehicle, including one that can be charged

from a 40 amp, 240 volt electrical charging circuit; (2) easily allow for bidirectional charging of electric vehicles, which would apparently allow the vehicles also to supply power back into the electrical grid, if the electrical utility companies can do so; and (3) require that all new residential and certain commercial construction be able to support this infrastructure. The bill does not specify which commercial projects are subject to the requirement.

## **§ 2 — INFRASTRUCTURE SUPPORT ACCOUNT**

The bill creates a nonlapsing account in the General Fund known as the “electric vehicle infrastructure support account.” The account’s source of funds is to be determined by law. The bill requires the Department of Public Utility Control (DPUC) to provide grants from the account to businesses making infrastructure upgrades that support the use of electric and hydrogen fuel-cell-powered vehicles throughout the state.

## **§ 5 — OPM CHARGING STATION PLAN**

The bill requires OPM, by February 1, 2012, to submit a plan to the Energy Committee that promotes the use of electric vehicles and facilitates the statewide installation of Level III fast-charging stations. It defines these stations as electric vehicle charging facilities that use an external DC charger.

## **§ 4 — TOTALED VEHICLE SALES TAX**

Under current law, when an insurance company takes title to a totaled vehicle it must pay the vehicle’s owner the agreed settlement amount plus any applicable sales tax on the settlement amount. Under the bill, the insurance company must pay the sales tax only if the owner paid a sales tax on the vehicle. An insurer’s failure to pay the proper settlement amount is an unfair insurance practice (see BACKGROUND).

## **BACKGROUND**

### ***Connecticut Unfair Insurance Practice Act (CUIPA)***

The law prohibits engaging in unfair or deceptive insurance acts or

practices. CUIPA authorizes the insurance commissioner to issue regulations, conduct investigations and hearings, issue cease and desist orders, ask the attorney general to seek injunctive relief in Superior Court, impose fines, revoke or suspend licenses, and order restitution.

Fines may be up to (1) \$5,000 per violation to a \$50,000 maximum or (2) \$25,000 per violation to a \$250,000 maximum in any six-month period if knowingly committed. The law also imposes a fine of up to \$50,000, in addition to or in lieu of a license suspension or revocation, for violating a cease and desist order.

***Legislative History***

The Senate referred the bill (File 461) to the Transportation Committee, which reported a substitute that eliminates the prior bill's provision allowing single-occupant hybrid and hydrogen fuel-cell-powered vehicles to use the high occupancy vehicle (HOV) lane.

**COMMITTEE ACTION****Energy and Technology Committee**

Joint Favorable

Yea 21 Nay 1 (03/22/2011)

**Transportation Committee**

Joint Favorable Substitute

Yea 28 Nay 1 (05/18/2011)